

NEWS RELEASE

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DeNUCCI SAYS STATE PHARMACIES NEED BETTER CONTROLS OVER DRUGS WORTH \$23.4 MILLION

State Auditor Joe DeNucci reported today that pharmacies at state institutions are maintaining adequate security over drugs and medicines with a high potential for abuse such as Oxycontin and anabolic steroids. However, DeNucci said \$23.4 million worth of common prescription drugs and over-the-counter medications are vulnerable to possible theft, loss or misuse due to inadequate inventory controls.

DeNucci's statewide review of state pharmacy operations gave passing grades to controls over drugs with the highest risk of psychological and physical dependence. In addition to Oxycontin and steroids, these include Percodan, Ritalin, Codeine with aspirin and Valium. The problems identified in DeNucci's audit centered on the less dangerous medications, known as Schedule VI controlled substances, which accounted for about 98 percent of the state's pharmaceutical purchases in fiscal year 2002.

According to DeNucci's audit, 10 of the pharmacies reviewed lacked accountability over inventories of Schedule VI substances. As a result, drugs and medicines that were actually found to be on hand could not be reconciled to existing records to determine if there was a variance. Furthermore, the audit revealed that the accounting system used at the Department of Correction pharmacy was unreliable, as a physical count of four substances differed by more than 2,600 doses from what the vendor reported.

Moreover, DeNucci's audit found that six of the sites visited failed to exercise required safeguards over medications. These problems included the failure to adequately segregate pharmacy employees' duties, inadequate recording and handling of returned medicines and various security shortcomings. At one institution, for example, prescriptions were delivered on a dumbwaiter, making the medicine easily accessible to unauthorized individuals.

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“The State Office for Pharmacy Services must establish stronger controls to ensure that these drugs and medicines are properly protected against loss, theft or unauthorized use,” said DeNucci. “Sound inventory controls should be introduced to maintain accountability.”

In addition, DeNucci’s audit determined that the two central distribution pharmacies operated by the State Office for Pharmacy Services spent approximately \$730,000 more than was necessary on commonly prescribed drugs in June 2002. The audit attributed this excessive spending and stockpiling of drugs to a lack of accurate forecasting of needs and an effort to avoid reverting unspent money to the Commonwealth’s general fund. The audit recommended that pharmacies purchase only enough drugs and medicines to satisfy immediate needs, with any leftover funds returned to the general fund at the end of the fiscal year.

In response, the State Office for Pharmacy Services indicated that it intends to comply with DeNucci’s directives regarding its inventory practices.

In addition to the Central Distribution Center and the Department of Correction pharmacies at the State Office for Pharmacy Services, DeNucci’s audit reviewed pharmacy practices at Bridgewater, Medfield, Taunton, Tewksbury, and Worcester state hospitals; Monson and Wrentham developmental centers; the Soldiers’ Home in Holyoke, Western Massachusetts Hospital in Westfield and the Souza-Baranowski Correctional Center in Shirley. A private vendor operates all of these pharmacies with the exception of the Soldiers’ Home.